



House of Representatives

General Assembly

File No. 279

January Session, 2005

Substitute House Bill No. 5482

House of Representatives, April 12, 2005

The Committee on Labor and Public Employees reported through REP. RYAN, K. of the 139th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE CHILD POVERTY COUNCIL.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-67x of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) There shall be a Child Poverty Council consisting of the
4 following members or their designees: The Secretary of the Office of
5 Policy and Management, the president pro tempore of the Senate, the
6 speaker of the House of Representatives, the minority leader of the
7 Senate and the minority leader of the House of Representatives, the
8 Commissioners of Children and Families, Social Services, Correction,
9 Mental Retardation, Mental Health and Addiction Services,
10 Transportation, Public Health, Education, Economic and Community
11 Development and Health Care Access, the Labor Commissioner, the
12 Chairman of the Board of Governors for Higher Education, the Child

13 Advocate, the chairperson of the State Prevention Council, the
14 chairperson of the Children's Trust Fund and the executive directors of
15 the Commission on Children and the Commission on Human Rights
16 and Opportunities. The Secretary of the Office of Policy and
17 Management or the secretary's designee shall be the chairperson. The
18 council shall develop a ten-year plan, to begin June 8, 2004, to reduce
19 the number of children living in poverty in the state by fifty per cent.

20 (b) The plan shall contain: (1) An identification and analysis of the
21 occurrence of child poverty in the state, (2) an analysis of the long-term
22 effects of child poverty on children, their families and their
23 communities, (3) an analysis of costs of child poverty to municipalities
24 and the state, (4) an inventory of state-wide public and private
25 programs that address child poverty, (5) the percentage of the target
26 population served by such programs and the current state funding
27 levels, if any, for such programs, (6) an identification and analysis of
28 any deficiencies or inefficiencies of such programs, and (7) procedures
29 and priorities for implementing strategies to achieve a fifty per cent
30 reduction in child poverty in the state by June 30, 2014. Such
31 procedures and priorities shall include, but not be limited to, (A)
32 vocational training and placement to promote career progression, for
33 parents of children living in poverty, (B) educational opportunities,
34 including higher education opportunities, and advancement for such
35 parents and children including, but not limited to, preliteracy, literacy
36 and family literacy programs, (C) housing for such parents and
37 children, (D) day care and after-school programs and mentoring
38 programs for such children and for single parents, (E) health care
39 access for such parents and children including access to mental health
40 services and family planning, (F) treatment programs and services,
41 including substance abuse programs and services, for such parents and
42 children, and (G) accessible childhood nutrition programs.

43 (c) In developing the plan, the council shall consult with experts and
44 providers of services to children living in poverty and parents of such
45 children. The council shall hold at least one public hearing on the plan.
46 After the public hearing, the council may make any modifications that

47 the members deem necessary based on testimony given at the public
48 hearing.

49 (d) Funds from private and public sources may be accepted and
50 utilized by the council to develop and implement the plan and
51 provisions of this section.

52 (e) Not later than January 1, 2005, the council shall submit the plan,
53 in accordance with section 11-4a, to the joint standing committees
54 having cognizance of matters relating to appropriations and human
55 services and to the select committee having cognizance of matters
56 relating to children, along with any recommendations for legislation
57 and funding necessary to implement the plan.

58 (f) On or before January 1, 2006, and annually thereafter, until
59 January 1, 2015, the council shall report, in accordance with section 11-
60 4a, to the joint standing committees of the General Assembly having
61 cognizance of matters relating to appropriations and human services
62 and to the select committee having cognizance of matters relating to
63 children on the implementation of the plan, [and] progress made
64 toward meeting the child poverty reduction goal specified in
65 subsection (a) of this section and the extent to which state actions are in
66 conformity with the plan. The council shall meet at least quarterly to
67 review and coordinate state agency efforts to meet the child poverty
68 reduction goal specified in subsection (a) of this section.

69 (g) Not later than January 1, 2006, the Office of Policy and
70 Management shall: (1) Establish administrative procedures, through
71 memoranda of agreement, coordination of services or other means, to
72 improve access by eligible children and families to services that
73 diminish poverty or negative outcomes related to poverty, (2) require
74 that state contracts related to services for low-income children and
75 families include performance-based standards and outcome measures
76 related to the child poverty reduction goal specified in subsection (a) of
77 this section, (3) establish a common protocol among state agencies for a
78 standard assessment concerning barriers to employment, including
79 transportation, child care, education and substance abuse issues, to

80 expedite referrals and access to services, and (4) within available
81 appropriations, increase outreach and education to low-income
82 families regarding available services and resources.

83 (h) Within available appropriations, the council shall appoint a
84 consumer committee to advise it regarding strategies to reduce child
85 poverty. The consumer committee shall include, but not be limited to,
86 a parent of a child living in poverty, a community leader, a municipal
87 elected official and a child advocate.

88 ~~[(g)]~~ (i) For purposes of this section, the Secretary of the Office of
89 Policy and Management, or the secretary's designee, shall be
90 responsible for coordinating all necessary activities, including, but not
91 limited to, scheduling and presiding over meetings and public
92 hearings.

93 ~~[(h)]~~ (j) The council shall terminate on June 30, 2015.

94 Sec. 2. Section 17b-16 of the general statutes is repealed and the
95 following is substituted in lieu thereof (*Effective October 1, 2005*):

96 The Labor Department, in cooperation with the Department of
97 Social Services, shall provide information and assistance in obtaining,
98 within available appropriations, the federal earned income credit
99 established pursuant to 26 USC 32, to each applicant for or recipient of
100 assistance from the department. The Labor Department, in cooperation
101 with the Department of Revenue Services, shall promote the earned
102 income credit program to recipients of benefits pursuant to section
103 17b-112. The Labor Department, in cooperation with the Department
104 of Social Services and the Child Poverty Council, shall, within
105 available appropriations, promote the federal earned income credit to
106 municipalities, public and private employers, community
107 organizations and other entities that have frequent contact with low
108 income families and shall promote federal welfare to work tax credit
109 programs and federal work opportunity tax credit programs to public
110 and private employers.

111 Sec. 3. (NEW) (*Effective from passage*) The Commissioners of Social
112 Services and Education and the Labor Commissioner shall, within
113 available appropriations and in consultation with literacy volunteers
114 and organizations that promote literacy, incorporate child and family
115 literacy standards and goals into family resource center programs,
116 temporary family assistance programs, "Jobs First" programs and other
117 similar programs deemed appropriate by such commissioners.

118 Sec. 4. Section 10-266t of the general statutes is repealed and the
119 following is substituted in lieu thereof (*Effective July 1, 2005*):

120 (a) The Commissioner of Education shall award grants annually, in
121 accordance with this section and section 10-266u, to local and regional
122 boards of education identified as priority school districts pursuant to
123 section 10-266p. In addition, for the fiscal years ending June 30, 2000,
124 and June 30, 2001, the commissioner shall provide a grant to any local
125 or regional board of education in a town which does not qualify for a
126 grant pursuant to subsection (a) of section 10-266p for said fiscal years
127 but does qualify for a grant pursuant to subsection (b) of said section
128 for said fiscal years. The grants shall provide funds for extended
129 school building hours for public schools in such districts for academic
130 enrichment and support, and recreation programs for students in the
131 districts. Such programs may be conducted in buildings other than
132 public school buildings, provided the board of education is able to
133 demonstrate to the commissioner that the facility in which the
134 program will be run can adequately support the academic goals of the
135 program and a plan is in place to provide adequate academic
136 instruction.

137 (b) The Commissioner of Education shall provide a grant estimate
138 annually to each priority school district. The estimated grant shall be
139 calculated as follows: Each district's average daily membership, as
140 defined in subdivision (2) of section 10-261, divided by the total of all
141 priority school districts' average daily membership, multiplied by the
142 amount appropriated for the grant program minus the amounts
143 specified in subsections (a) and (b) of section 10-266u.

144 (c) (1) Annually, each such district shall file a grant application with
145 the Commissioner of Education, in such form and at such time as he
146 prescribes. The application shall identify the local distribution of funds
147 by school and operator, with program specification, hours and days of
148 operation.

149 (2) Each such district shall solicit applications for individual school
150 programs, on a competitive basis, from town and nonprofit agencies,
151 prioritize the applications and select applications for funding within
152 the total grant amount allocated to the district. District decisions to
153 fund individual school programs shall be based on specified criteria
154 including: (A) Total hours of operation, (B) number of students served,
155 (C) total student hours of service, (D) total program cost, (E) estimate
156 of volunteer hours, or other sources of support, (F) community
157 involvement, commitment and support, (G) nonduplication of existing
158 services, (H) needs of the student body of the school, (I) unique
159 qualities of the proposal, and (J) responsiveness to the requirements of
160 this section and section 10-266u. Each district shall submit to the
161 commissioner all proposals received as part of its grant application
162 and documentation of the review and ranking process for such
163 proposals.

164 (3) Grants to individual school programs shall be limited to a range
165 of twenty to eighty thousand dollars per school, based on school
166 enrollment.

167 (d) Each district, shall: (1) Demonstrate, in its grant application, that
168 a district-wide and school building needs assessment was conducted,
169 including an inventory of existing academic enrichment and support,
170 and recreational opportunities available during nonschool hours both
171 within and outside of school buildings; (2) ensure equal program
172 access for all students and necessary accommodations and support for
173 students with disabilities; (3) provide a summer component, unless it
174 is able to document that sufficient summer opportunity already exists;
175 (4) include in its application a schedule and total number of hours that
176 it determines to be reasonable and sufficient for individual school

177 programs; (5) support no less than ten per cent of the cost of the total
178 district-wide extended school building hours program and provide
179 documentation of local dollars or in-kind contributions, or both; and
180 (6) contract for the direct operation of the program, unless it is able to
181 document that no providers are interested or able to provide a cost
182 efficient program.

183 (e) All programs funded pursuant to this section shall: (1) Offer both
184 academic enrichment and support and recreation experiences, (2) be
185 open to all resident students in the district, (3) be designed to ensure
186 communication with the child's teacher and ties to the regular school
187 curriculum, (4) be clearly articulated with structured and specified
188 experiences for children but able to accommodate the irregular
189 participation of any one child, (5) provide for community involvement,
190 (6) investigate the use of the National Service Corps, (7) coordinate
191 operations and activities with existing programs and the agencies
192 which operate such programs, (8) provide for parent involvement in
193 program planning and the use of parents as advisers and volunteers,
194 and (9) provide for business involvement or sponsorship. Programs
195 within a district may vary in terms of times of operation and nature of
196 the program. All programs which operate in a public school shall have
197 access to existing special facilities and equipment in the public school
198 and shall have the written endorsement of the school principal and
199 superintendent of schools for the school district.

200 (f) Grant funds may be used to hire personnel to provide for the
201 instruction and supervision of children and for necessary support costs
202 such as food, program supplies, equipment and materials, direct cost
203 of building maintenance, personnel supervision and transportation but
204 shall not be used for indirect costs.

205 (g) The Commissioner of Education may negotiate the contents of a
206 district's grant application or refuse to authorize a grant if he finds the
207 proposal costs are not reasonable or necessary or the selection of
208 specific local building programs over others was not justified by the
209 process and the data.

210 (h) Notwithstanding subsections (d) and (e) of this section, a school
211 district may charge fees for participation in after-school academic
212 enrichment, support or recreational programs, provided the fees are
213 calculated on a sliding scale based on ability to pay and no fee exceeds
214 seventy-five per cent of the average cost of participation. No school
215 district may exclude a student from participation in such after-school
216 academic enrichment, support and recreational programs due to
217 inability to pay a fee.

218 (i) Within available appropriations, grant funds shall be used for
219 specialized mentoring services targeted within school districts to meet
220 the academic, emotional and social needs of children ages six through
221 sixteen living in poverty. Such specialized mentoring services shall be
222 prioritized for: (1) Families receiving temporary family assistance, (2)
223 families with a custodial parent under the age of twenty, and (3)
224 families in which the primary caretaker is a grandparent. Such
225 specialized mentoring services shall include, but not be limited to,
226 literacy, financial literacy, career and scholastic guidance. Funding for
227 such specialized programs may include school and business
228 partnerships and private funds.

229 Sec. 5. (NEW) (*Effective July 1, 2005*) The Office of Policy and
230 Management shall require state contracts for publicly funded
231 construction and transportation and other contracts deemed
232 appropriate by such office to specify not less than thirty per cent of the
233 workers under such contracts be state residents with household
234 incomes not greater than two hundred per cent of the federal poverty
235 level.

236 Sec. 6. (*Effective July 1, 2005*) The sum of fifty thousand dollars is
237 appropriated to the Labor Department, from the General Fund, for the
238 fiscal year ending June 30, 2006, for the purpose of promoting the
239 federal earned income credit, federal welfare to work programs and
240 federal work opportunity tax credit programs.

241 Sec. 7. (*Effective July 1, 2005*) The sum of fifty thousand dollars is
242 appropriated to the Department of Social Services, from the General

243 Fund, for the fiscal year ending June 30, 2006, for the purpose of
244 promoting the federal earned income credit, federal welfare to work
245 programs and federal work opportunity tax credit programs.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	4-67x
Sec. 2	<i>October 1, 2005</i>	17b-16
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>July 1, 2005</i>	10-266t
Sec. 5	<i>July 1, 2005</i>	New section
Sec. 6	<i>July 1, 2005</i>	New section
Sec. 7	<i>July 1, 2005</i>	New section

KID *Joint Favorable Subst. C/R*

LAB

LAB *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Policy & Mgmt., Off.	GF - Cost	Significant	Significant
Admin. Serv., Dept	GF - Cost	Potential Significant	Potential Significant
Department of Transportation	TF - Revenue Loss	Potential Significant	Potential Significant
Treasurer, Debt Serv.	GF - Cost	Significant	Significant
Pub. Works, Dept.	GF - Cost	Significant	Significant
State Agencies with Purchase of Service Contracts	GF - Cost	Potential Significant	Potential Significant
Labor Dept.	GF - Cost	50,000	None
Social Services, Dept.	GF - Cost	50,000	None

Note: GF=General Fund; TF=Transportation Fund

Municipal Impact: None

Explanation

The bill requires the Office of Policy and Management (OPM) to establish procedures to improve access to services that diminish poverty or negative outcomes related to poverty, which is anticipated to require one full time staff member with an estimated salary of \$60,000¹ and associated other expenses of \$1,500. Additionally the bill makes OPM require that state contracts related to services for low income children and families include performance-based standards and outcome measures related to the reduction of child poverty, this will result in two full time positions (2 X \$60,000= \$120,000)², plus

¹⁻⁴, The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The estimated fringe benefit reimbursement rate as a percentage of payroll is 53.91%, effective July 1, 2004. However, first year fringe benefit costs for new positions do not include pension costs lowering the rate to 22.65%. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System.

equipment and related expenses of \$3,500. Additionally, the six agencies that use purchase of service agreements will each need significant additional resources to develop performance measures. OPM is required to establish a common protocol among state agencies for a standard assessment concerning barriers to employment, which will result in increased costs to OPM to assess what agency's are currently doing and the agency will require one additional staff person with a salary of \$60,000³, and associated equipment and other expenses of \$1,500.

Section 4 of the bill in subsection (i) puts requirements on the usage of extended school hour grant funds. However as it puts the requirement "within available appropriations" it is unclear as to whether a district would have to use the funds for the purposes of subsection (i). Subsection (e) (existing law) already dictates the usage of the funds.

Section 5 requires that at least 30% of the workforce on state construction, transportation and other appropriate contracts be state residents with incomes up to 200% of the federal poverty level.

This is expected to significantly increase project labor costs. This will be reflected as significant increases in General Fund debt service, since General Obligation bond funds are used to pay for the majority of public works projects. These increases are anticipated because out-of-state contractors will most likely be excluded from the pool of contractors that can bid on state contracts, which will limit competition for these contracts. It is also unclear whether there would be sufficient state residents who would be available for hire by in-state contractors so that all otherwise qualified contractors would be able to bid on state construction projects.

There will be a cost to the Department of Public Works (DPW) to establish a compliance unit to monitor the residential and income

status of employees of contractors with state construction contracts. DPW estimates that it will require \$167,250⁴ per year to fund 4 positions (see table) and an annual Other Expenses cost of \$7,000. There will also be a cost of \$6,600 for computer equipment and \$3,800 for office furniture in the first year to set up the unit's operations.

Personal Service Cost for DPW Compliance Unit	
<u>Position</u>	<u>Annual Salary</u>
AA Officer	\$50,921
AA Assistant	\$36,855
AA Assistant	\$36,855
Admin Assistant	\$42,618
Total	\$167,250

The bill could result in the state losing all or part of its federal highway funds. Federal funding contracting provisions requires that there be no preferences given to residents and/or business. The state receives in excess of \$500 million annually in federal reimbursement, which could be jeopardized.

It is unknown at this time if this provision would apply to state contracts for goods and services. If the bill was interpreted to apply to these type of contracts the administrative cost would be significant

Section 7 of the bill requires the Department of Labor to promote the federal earned income tax credit, welfare to work tax credit and work opportunity tax credit. Additionally, the bill requires the Department of Social Services to incorporate literacy standards and goals into certain departmental programs. These requirements will lead to increased administrative costs to each of the departments. The extent of these costs will be dependent upon the scope of the programs developed, and are to be implemented within available appropriations. The bill appropriates \$50,000 to each department in FY 06 to meet these requirements.

OLR Bill Analysis

sHB 5482

***AN ACT CONCERNING THE IMPLEMENTATION OF THE
RECOMMENDATIONS OF THE CHILD POVERTY COUNCIL*****SUMMARY:**

This bill requires the Office of Policy and Management (OPM), and the Labor (DOL), Social Services (DSS), and Education (SDE) departments to increase outreach and education efforts concerning available services and tax credits that assist low-income families. It also requires OPM to:

1. include performance-based standards and outcome measures in all contracts for services to low-income families;
2. require that at least 30% of the workforce on state construction, transportation, and other appropriate contracts be state residents with incomes up to 200% of the federal poverty level (*i.e.*, \$38,700 or less for a four-person household as of February 2005);
3. establish administrative procedures to improve access to services for eligible children and families that reduce poverty or related negative outcomes; and
4. establish a standard assessment protocol for all state agencies concerning barriers to employment, including transportation, child care, education, and substance abuse to expedite referrals and access to services.

The bill also requires DOL, DSS, and SDE to incorporate child and family literacy standards and goals in family services center, Temporary Assistance to Needy Families, Jobs First, and other programs they administer, and SDE to provide prioritized after-school program grants for mentoring programs directed at children in poverty.

Finally, the bill makes the executive director of the Commission on Human Rights and Opportunities a member of the Child Poverty

Council and adds meeting and reporting requirements to the council's charge.

EFFECTIVE DATE: July 1, 2005, except for the Child Poverty Council and OPM provisions, which are effective on passage and the promotion of the tax credit provision, which is effective October 1, 2005.

AGENCY OUTREACH AND EDUCATION—§§ 1, 2, 6, & 7

The bill appropriates \$50,000 each in FY 2006 to DOL and DSS to cooperatively promote (1) the federal earned income tax credit to municipalities, public and private employers, community organizations, and other entities that have frequent contact with low-income families and (2) federal welfare-to-work and federal work opportunity tax credit programs to public and private employers. The Child Poverty Council, within appropriations, must also cooperate with these efforts.

GRANTS FOR PRIORITY SCHOOL DISTRICTS—§ 4

Within available appropriations, the bill requires after-school program grants for priority school districts to be used for specialized mentoring services targeted to meet the academic, emotional, and social needs of children ages six to 16 living in poverty. These services must be prioritized for families (1) receiving Temporary Family Assistance (cash welfare), (2) with a teenaged custodial parent, and (3) in which a grandparent is the primary caretaker. Mentoring services must include literacy, financial literacy, and career and scholastic guidance.

The bill specifies that school and business partnerships and private funds may be used to fund the programs.

CHILD POVERTY COUNCIL ACTIVITIES—§ 1

The bill requires the Child Poverty Council to meet at least quarterly to review and coordinate state agency efforts to meet the goal of reducing child poverty by 50% by June 30, 2014. Its annual implementation reports to legislative committees must include progress made toward meeting this goal.

The bill also requires the council, within available appropriations, to

appoint a consumer committee to advise it regarding strategies to reduce child poverty. The committee's membership must include a parent of a child living in poverty, a community leader, a child advocate, and an elected municipal official.

COMMITTEE ACTION

Select Committee on Children

Joint Favorable Substitute Change of Reference

Yea 10 Nay 2

Labor and Public Employees Committee

Joint Favorable Report

Yea 8 Nay 3